



# BMMP

*Arming the Warfighter Through Business Improvement*  
BUSINESS MANAGEMENT MODERNIZATION PROGRAM

## BMMP Overview Workshop

Transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense.

## How big is BMMP? It impacts:

- 5.5M employees, service members and beneficiaries
  - Paychecks and W-2's
  - Personnel records and actions
  - Medical and Dental records, appointments, admissions and discharges
  - Training records, plans, and scheduling classes
  - Travel requests, tickets, vouchers
- \$400B+ /Year
  - 267 Appropriations
  - 124 Million accounting transactions
  - 11.2 Million invoices
- \$700B+ in Assets
- 600,000 Buildings at 6,700 locations in 146 Countries
  - \$620B in Real Property Assets
    - 2.3M square feet of buildings
    - 32M acres
- 1,312 Major weapons systems
  - 4.6 Million parts and supplies managed
- 150+ Federal Source Laws and Regulations (Ex. Title 5, 10, 32, 37)
  - 4,200+ Specific requirements from source laws
- 4,000 Business Systems ... and Counting
  - Different standards and interpretations of rules and requirements

***BMMP:  
The Largest  
Transformation  
Effort in  
Government or  
Industry***

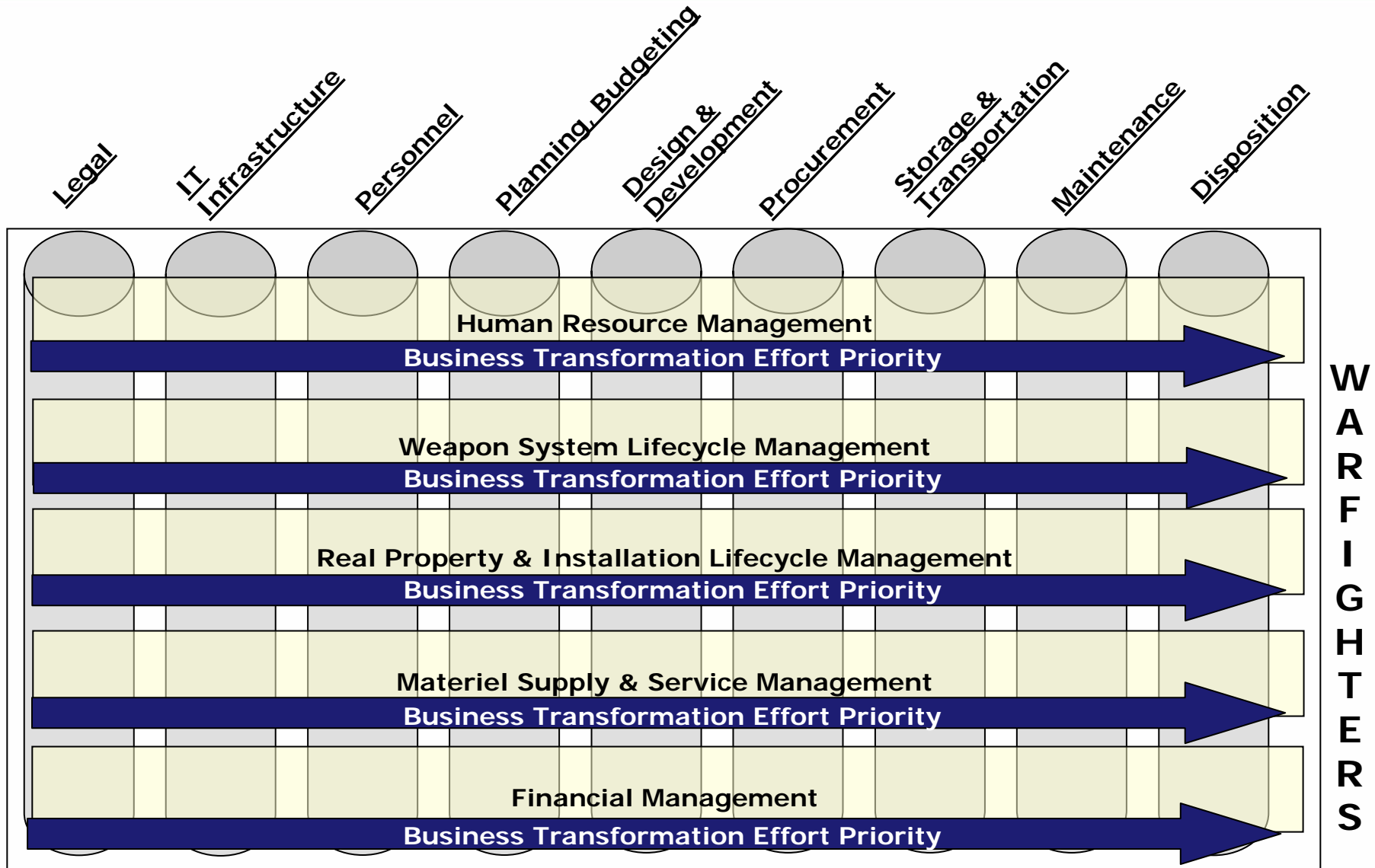
# 7 Realignment Principles

1. DoD Business Enterprise Clarity
2. Tiered Accountability
3. Horizontal Business Transformation Focus
4. Business Mission Alignment to Warfighter Needs
5. Capabilities, not Systems, as Deliverables
6. Clean Audit as Affirmation of Clean Processes
7. Program Management Discipline



# BMMP

## Horizontal Business Transformation Framework



# Purpose of Framework

Provide a structure aligned to primary business missions of the department, for use in prioritizing transformation efforts.

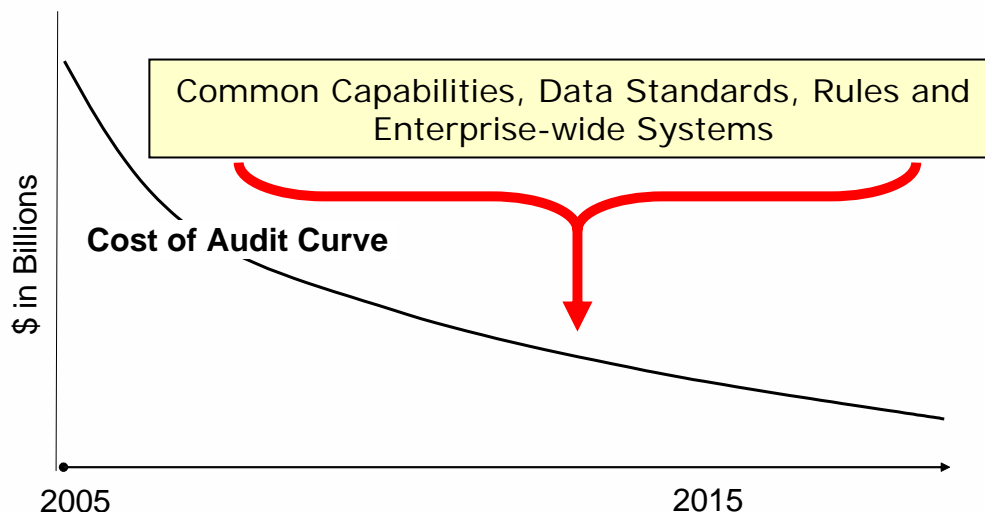
Create a visual tool for explaining investments and transformation initiatives, using a dashboard format, to the DBSMC and other venues as appropriate.

Emphasize the horizontal nature of business processes – leverage the framework to break down functional silos within the department.

DOD Business Enterprise	Common Capabilities, Data Standards, Rules and Enterprise-wide Systems					
	↕	↕	Required Integration			↕
Component Business Enterprises	ARMY	NAVY/MC	Air Force	DLA	TRANSCOM	O t h e r s
	Army Enterprise Architecture	Navy/MC Enterprise Architecture	Air Force Enterprise Architecture	DLA Enterprise Architecture	US TransCom Enterprise Architecture	
	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	
	Portfolio Mgt	Portfolio Mgt	Portfolio Mgt	Portfolio Mgt	Portfolio Mgt	
	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	

## Critical audit supporting products developed since 2001:

- Standard financial structure (SFIS)—a common financial language
- Standard DoD general ledger—a common financial ledger
- Interim Systems Transition Plan—a detailed roadmap for phasing out of legacy financial systems (delivered in March '05)

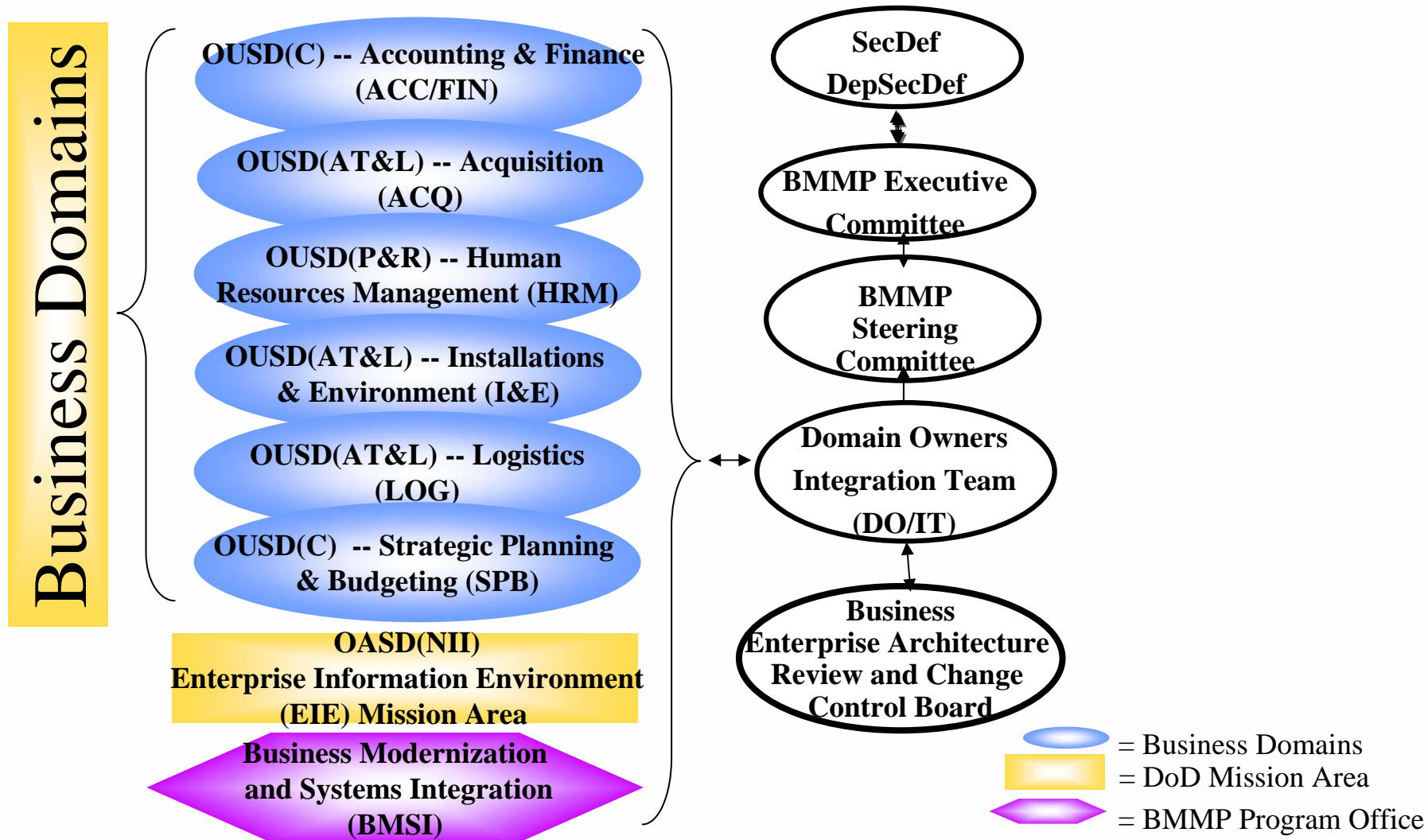


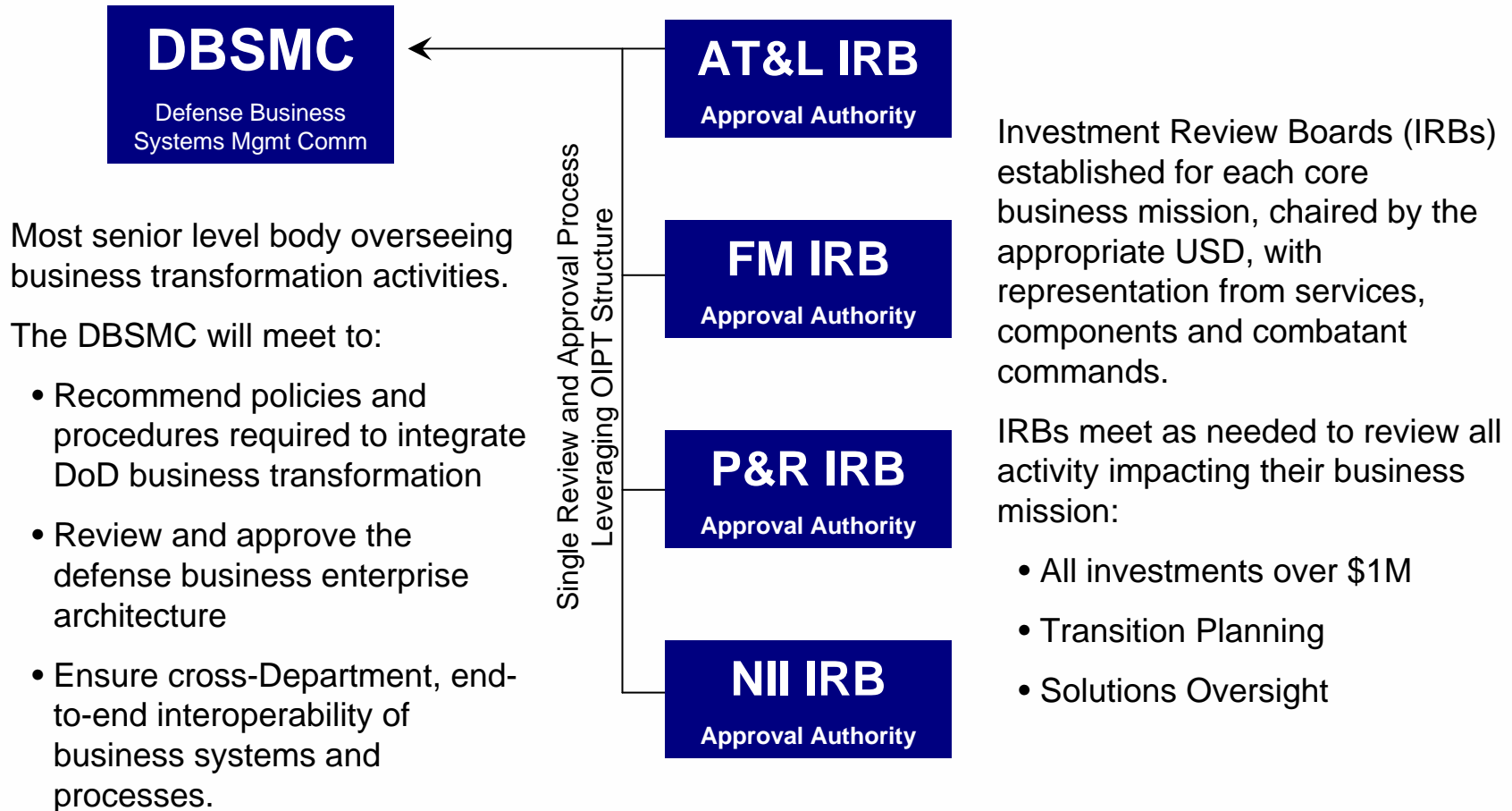
**BMMP's priorities are focused on enabling enhanced business operations.**

**Clean business processes will drive down the "Cost of Audit" by facilitating clean, traceable transaction-level financial information.**



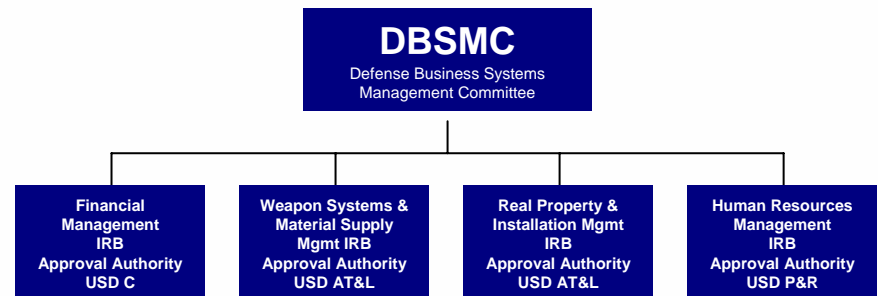
# BMMP Governance Structure (Previous)



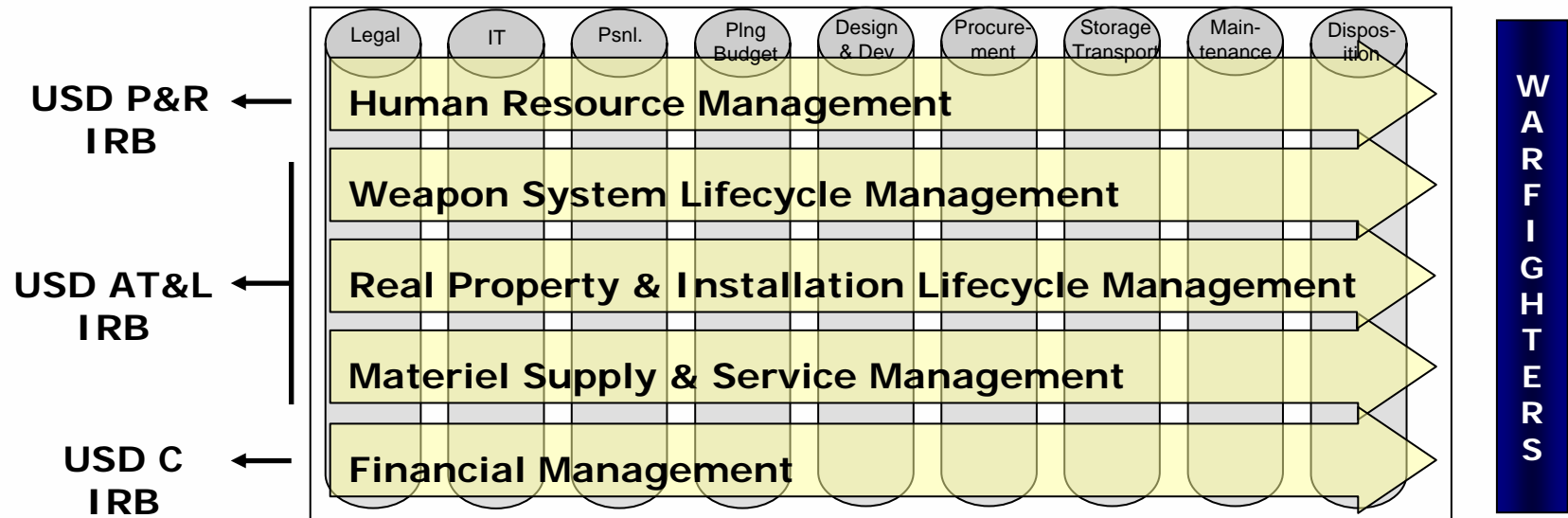


# New Governance Structure

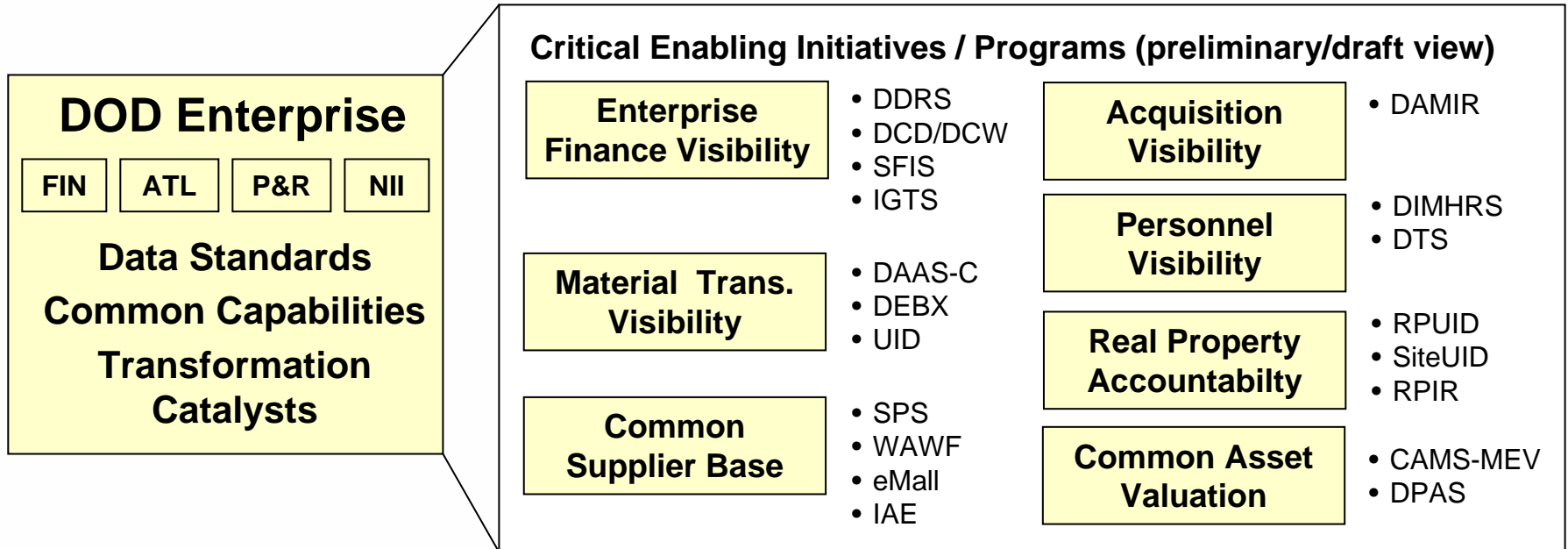
- Defense Business Systems Management Committee (DBSMC)
  - Chairman – DEPSECDEF
  - Vice Chairman – AT&L
  - Members: Approval Authorities, NII, Secretaries of Military Services, Heads of Defense Agencies, plus additional personnel assigned by SECDEF
- OSD Certification Authorities (CAs) for each Core Business Mission
  - USD(P&R) – Human Resources Management
  - USD(AT&L) – Weapon System Lifecycle Management
  - USD(AT&L) – Material Supply and Service Management
  - USD(AT&L) – Real Property and Installation Lifecycle Management
  - USD(C) – Financial Management
- Investment Review Boards (IRBs)
  - Chaired by CA designees
  - Members include:
    - OSD staff and Defense Agencies
    - COCOMs, Military Services



# Business Mission Alignment



- Five core business missions defined crossing all functional silos. Focus is on delivering business mission capability/functionality, NOT individual systems.
- Each business mission area is owned by the appropriate USD, and will include senior warfighter perspective/leadership in development of transformation priorities.
- Business mission owners will ensure alignment of transformation investments to the improvement of end-to-end mission capability for warfighters.



## Goals:

Focus BMMP effort on evolving, consolidating, accelerating standalone programs into a unified DOD Business Enterprise Architecture.

Align selected programs under a BMMP Program Executive Office, ensuring DOD level senior management engagement and prioritization.

Clearly articulate interfaces, rules, and portfolio impact to component organizations. Work with components to define timelines to compliance with DOD Business Enterprise Architecture.

# Capability Definitions

## Enterprise Finance Visibility

Immediate **access to accurate and reliable financial information** (planning, budgeting, accounting, cost) in support of financial accountability and decision-making throughout the Department.

## Acquisition Visibility

Access to **real time, authoritative, and accurate acquisition program information** across the components, including support for internal acquisition management oversight and internal and external consolidated reporting responsibilities.

## Material Trans. Visibility

Ability access to central (DoD Enterprise) data transaction management hubs, providing automated addressing capability and intersystem transaction execution between service-specific materiel management and Enterprise Resource Planning (ERP) systems. This will enable **access to information regarding supply chain execution within and among components**.

## Personnel Visibility

Provides accurate, **real-time information regarding the assignment, location, skills, pay, entitlements and status for military personnel**. This capability is necessary to support the mission flexibility goals of the Department.

## Real Property Accountability

Enables **accurate inventory data for all DoD owned / controlled real property**, providing all DoD users of real property information the ability to readily access and roll-up core real property data, (e.g., value, location, status) to support their business or warfighter needs.

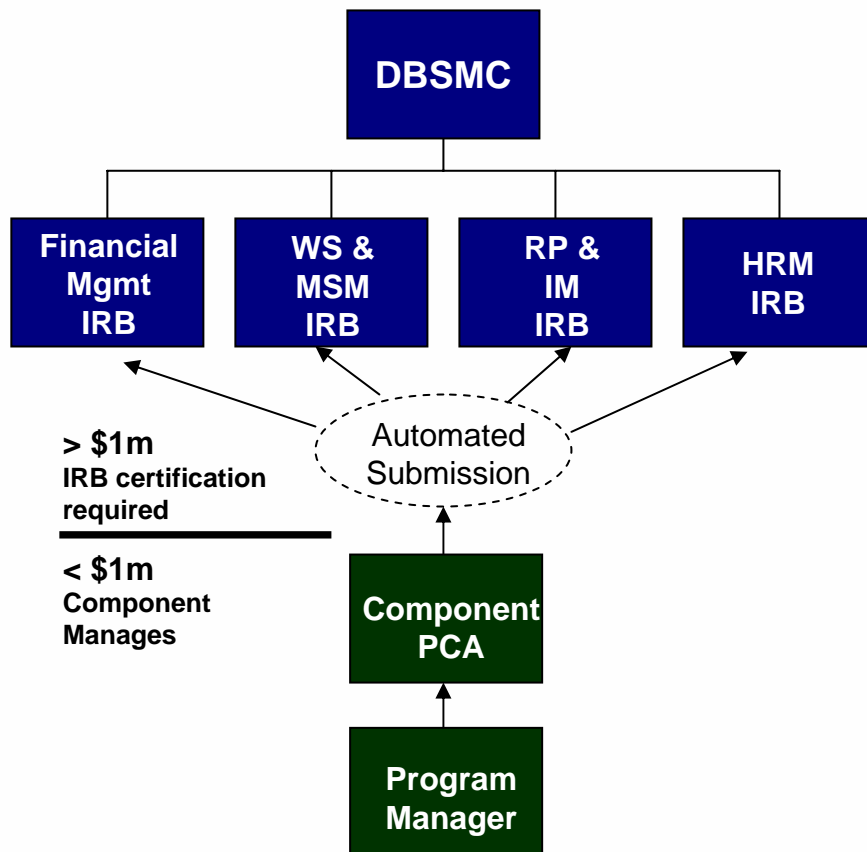
## Common Asset Valuation

Enables **timely, common and proper valuation, capitalization and depreciation schedules for all real and personal property** owned by the DoD. Provide acquisition cost visibility at all levels of decision making.

## Common Supplier Base

Creates a **single face to industry** via secure and globally connected sourcing capabilities; thus, enabling the leveraging of scale economies, where desired, in purchasing and supplier management. This includes **policy, processes, organization and business systems related to Acquisition requirements management**, supplier registration, solicitation posting, vendor selection, contract award, receipt and acceptance, payment, and reporting.

# IRB Certification Process



- Investment Review Boards focus on business mission impacts of investments – impacts that support warfighting mission and improve financial accountability.
- Component organizations pre-assert compliance to all other criteria – including net-centric, DOD BEA requirements.
- Single, streamlined certification process replaces five (5) unique processes in place under prior structure.

# Tired Level of Review

	Component (PCA)	IRB/CA/PSA	DBSMC*	Days for OSD to process
<b>Tier 1</b> ACAT 1AM (MAIS) and 1D	<ul style="list-style-type: none"> <li>Participates in acquisition management process</li> </ul>	Leverages DAS and JCIDS process <ul style="list-style-type: none"> <li>IRB members participate in pre-milestone and milestone reviews</li> <li>CA certifies</li> </ul>	Approves	Varies by program
<b>Tier 2</b> \$10M to less than MAIS or CA Interest or Enterprise System	<ul style="list-style-type: none"> <li>Reviews and <u>Pre-certifies</u></li> </ul>	IRB recommends to the CA(PSA) who certifies compliancy based on: <ul style="list-style-type: none"> <li>Component pre-certification</li> <li>Analysis of the business case</li> <li>Impacts to enterprise systems</li> </ul>	Approves	4-6 weeks
<b>Tier 3</b> Greater than \$1M and less than \$10M	<ul style="list-style-type: none"> <li>Reviews and <u>Pre-certifies</u></li> </ul>	IRB recommends to the CA(PSA) who certifies compliancy based on: <ul style="list-style-type: none"> <li>Component pre-certification</li> <li>Review of the business case</li> </ul>	Approves	2-3 weeks
<b>Tier 4</b> \$1M or less	<ul style="list-style-type: none"> <li>Reviews and <u>approves</u></li> <li>Submits review reports to CA</li> </ul>	N/A	N/A	N/A

*\*DBSMC is not required to meet to sign approvals.*



**Congress expects the Department of Defense to instill greater control over information technology investments.**



***It's the Law***

***Section 8083 of the DoD Appropriations Act of 2005 (Public Law 108-287) states:***

**(b) CERTIFICATIONS AS TO COMPLIANCE WITH FINANCIAL MANAGEMENT MODERNIZATION PLAN.**

(1) During the current fiscal year, a financial management automated information system, a mixed information system supporting financial and non-financial systems, or a system improvement of more than \$1,000,000 may not receive Milestone A approval, Milestone B approval, or full rate production, or their equivalent, within the Department of Defense until the Under Secretary of Defense (Comptroller) certifies, with respect to that milestone, that the system is being developed and managed in accordance with the Department's Financial Management Modernization Plan. The Under Secretary of Defense (Comptroller) may require additional certifications, as appropriate, with respect to any such system.

- DEPSECDEF memo standing up the Defense Business Systems Management Committee (DBSMC) – Dec 04
- Designated USD (AT&L) as Vice Chair – Dec 04
- Executive session of DBSMC held – January 2005
- Provided NDAA-required budget exhibit to Congress – March 2005
- Issued BMMP status report to Congress – March 15, 2005
- DEPSECDEF memo standing up Approval Authorities – March 19, 2005
- DEPSECDEF memo transferring program to AT&L – March 28, 2005
- Full DBSMC meeting conducted - April 29, 2005

# Transition Status (cont'd)

- Established new organizational model for business transformation.
- Structured business domains into end-to-end business missions.
- Defined the first iteration of the DOD Business Enterprise capabilities.
- Designated Enterprise Priority Team Leads - April 29, 2005
- Began BEA revision to reflect DOD Business Enterprise structure.
- Established a single repository of record for business systems inventory –  
DoD Information Technology Portfolio Repository (DITPR).
- Completed initial BMMP Program Baseline and Transition Plan.

## **Current Activities:**

- Formally establishing Business Mission leadership and Investment Review Boards.
- Completing SFIS – for issuance in June.
- Streamlining certification processes to align with NDAA while establishing tiered accountability for transformation.
- Finalizing CONOPS for new business mission structure and IRB's.
- Prioritizing DOD Business Enterprise investments to accelerate capability delivery.
- Establishing a Program Executive Office for DoD Enterprise Capabilities

## **By September 30, 2005 we will:**

- Deliver a comprehensive transition plan, with firm deliverables that transform business operations.
- Deliver a revision of the BEA (v3.0) reflecting the new structure.
- Operationalize the systems certification process IAW NDAA provisions.

- By statute, on or before September 30, services & agencies must obtain IRB & DBSMC approval of business system modernization investments in excess of \$1M.
- Service CIO's are collaborating with OSD to ensure this certification process is in place to support the 9/30 requirement.
- Also by 9/30, a transition plan and revised architecture (BEA 3.0) must be submitted reflecting departmental efforts at systems modernization. The first iteration of the plan (working document) is available for review, and will be refined over the next four months in preparation for submission 9/30.

BMMP is focused on improving warfighting mission support while establishing financial accountability in all business operations.

We are building upon accomplishments to date and restructuring the program for greater efficiency and tiered accountability.

BMMP is focusing on accelerating implementation of DOD Business Enterprise Capabilities.

NDAA language stands up new governance structures that will be supported within budget requests.

BMMP now has full engagement of DOD senior leadership, addressing GAO and Congressional concerns.



# BMMP

## BMMP Website:

<http://www.defenselink.mil/comptroller/bmmp/pages/index.html>



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May 4, 2005

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### LATEST NEWS

## Facing the Future: Defense Business Transformation

The Department of Defense's recent documentary *Facing the Future: Meeting the Threats and Challenges of the 21st Century* presents a compelling review of the extraordinary changes over the past four years. The **report** chronicles "a new architecture of American defense" as DoD sheds its Cold War legacy and confronts an asymmetrical threat-filled era.

The Business Management Modernization Program (BMMP) plays an important role in support of the new defense architecture. With an acute awareness of how intrinsically linked the Department's business operations are to sustaining effective military readiness in the 21st Century, the BMMP has restructured how we evaluate information technology investments and brought senior leadership from across the Office of the Secretary of Defense (OSD) and the services into the core decision-making process.

The BMMP is now *accelerating improvement of DoD-wide business processes through the development and deployment of enterprise-level capabilities to achieve higher levels of operational efficiency and enable financial accountability.*

**BMMP Mission: Transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense.**

The BMMP's mission is characterized by an agenda for action:

### Did You Know ...

Through the BMMP, you will be able to review BMMP policies and procedures; review documentation on the Investment Review Boards (IRBs); obtain the latest releases of the Business Enterprise Architecture (BEA); and learn more about the evolving BMMP Governance structure; and subscribe to the BMMP e-mail service.

Visit our website regularly to learn more about the changes occurring within the BMMP.

**Questions and Comments can be Sent Using the "Contact Us" Page on this Website.**